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Hearing Date: September 1, 2022 at 10:00 a.m.

*Counsel to the Creditor Rights Coalition*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:	:
	:
CELSIUS NETWORK LLC, <i>et al.</i> ,	:
	:
Debtors. <sup>1</sup>	:
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Chapter 11  
Case No. 22-10964 (MG)  
(Jointly Administered)

**CREDITOR RIGHTS COALITION’S STATEMENT IN RESPONSE TO OFFICIAL  
COMMITTEE OF UNSECURED CREDITORS’ MOTION FOR ENTRY OF AN ORDER  
CLARIFYING THE REQUIREMENT TO PROVIDE ACCESS TO CONFIDENTIAL  
OR PRIVILEGED INFORMATION AND APPROVING A PROTOCOL REGARDING  
CREDITOR REQUESTS FOR INFORMATION (DOCKET NO. 432; THE “MOTION”)**

The Creditor Rights Coalition (“CRC”) submits this Statement in support of the proposed relief requested in the Motion.

**BACKGROUND**

1. The CRC is a nonprofit corporation that was recently established to serve as a collective and leading voice aimed at protecting creditor rights in reorganization cases. The core mission of the CRC is to promote transparency, accountability and equality of treatment for

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); and Celsius US Holding LLC (7956). The location of Debtor Celsius Network LLC’s principal place of business and the Debtors’ service address in these chapter 11 cases is 121 River Street, PH05, Hoboken, New Jersey 07030.

similarly situated creditors and to ensure fair and robust stakeholder participation in reorganization cases and proceedings therein.

2. The CRC communicates, through various social media platforms, with over 1,500 member subscribers including investors, lawyers, academics, financial advisors, and other interested parties in reorganization cases. The CRC is uniquely situated - - as both a thought-leadership and advocacy organization - - to be heard, on the proposed relief requested in the Motion. Though a relatively new entity, the CRC's thought leadership activities have already been referenced by the Bankruptcy Court for the District of Delaware.<sup>2</sup> In re: TPC Group Inc., Case No. 22-10493 (CTG) / A/P No. 22-50372 (CTG) Memorandum Opinion (A/P Docket No. 72), July 6, 2022, at p. 1, fn. 1.

3. The CRC believes that robust stakeholder participation is a foundational element of the bankruptcy/reorganization process. Some have recommended more robust use of social media platforms to respond to the need of individual victims for information. See Unsettled by Ryan Hampton (St. Martin's Press, 2022) at pp. 220-221 (arguing, with respect to the Purdue Chapter 11 cases, that information procedures must include "digital, which . . . can reach ten times as many people" in response to needs of individual constituents).

#### **THE MOTION AND CRC'S RESPONSE**

4. The Celsius case is the first, to CRC's knowledge, where the Official Committee of Unsecured Creditors ("UCC") has recommended the supplemental use of social media platforms to help meet its obligations to its constituents. We commend such efforts to share

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<sup>2</sup> The advocacy efforts of the Coalition do not necessarily reflect the views of any individual contributor or Advisory Board Member or their respective firms.

information and hope this becomes a mainstay in cases involving large numbers of individual creditors.

5. According to the Debtors (Motion, at ¶ 1) there are hundreds of thousands of individual creditors in these cases, and it would appear that such creditors are familiar with and actively use social media platforms. As we hope the Court and parties in interest are aware, in many large reorganization cases many individual and small trade creditors simply do not vote to accept or reject a proposed plan - - because they are either not adequately informed or otherwise not motivated or encouraged to do so. Such failure to vote on a proposed plan, among other things, diminishes the strength of the Code's numerosity voting requirement and undermines the role of the UCC.<sup>3</sup> The CRC appreciates that the information to be posted to the Information Platforms listed in Paragraph 14 of the Motion is not all inclusive. What should, however, be specifically set forth and specifically included in Paragraph 14, given the importance of numerosity, is the following regarding plan voting: "information regarding plan voting and the UCC's recommendation on plan voting (once the Court authorizes it to be transmitted)." We believe this addition will further enhance the Information Platforms usefulness to creditors more generally.

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<sup>3</sup> For example, upon information and belief, CRC understands that in the recent LATAM Chapter 11 cases (Case No. 20-11254 (JLG) SDNY) only a few hundred unsecured creditors voted to accept or reject the plan out of over 6,000 unsecured proofs of claim filed in those cases.

**WHEREFORE**, the CRC respectfully requests that the UCC's Information Protocol and charge with respect thereto be specifically expanded to include communications, including through its Information Portal, with respect to Plan voting and, after Court approval, the UCC's recommendations with respect thereto.

Dated: August 25, 2022  
New York, New York

/s/Paul N. Silverstein

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